

V.5. Facilities and Infrastructures – Société du parc Jean-Drapeau

V.5. FACILITIES AND INFRASTRUCTURES – SOCIÉTÉ DU PARC JEAN-DRAPEAU

1. INTRODUCTION

The Société du parc Jean-Drapeau (formerly known as the Société du parc des Îles) is a para-municipal body established by letters patent under the Charter of the City of Montréal to administer both Île Sainte-Hélène and Île Notre-Dame. Members of its board of directors are elected by the City's executive committee. Its mission is twofold. On the one hand, it is responsible for organizing and continuously providing international, recreational, educational, cultural, social and tourist activities at Parc Jean-Drapeau. On the other hand, it must ensure that any improvement to the park's facilities and infrastructure complies with the directions set forth in the development master plan as approved by city authorities.

Under a memorandum of understanding (MOU) concluded with the City in November 1996, the Société was tasked with:

- preserving, protecting and developing the park's green areas and waterways;
- managing the park in terms of public use, safety and road signs;
- ensuring access, proper traffic flow and parking on both islands;
- fostering the image of Parc Jean-Drapeau;
- providing activities to the public;
- maintaining and preserving the site's buildings, facilities and public artworks;
- maintaining business relationships with all of the partners involved in the park's operations.

Parc Jean-Drapeau hosted the Expo 67 exhibition and other international events, including the Man and His World annual exhibition (1968-1981), the Olympic Games (1976), the Canadian Grand Prix (1978-2008), the Floralties internationales de Montréal horticultural fair (1980) and the Palais de la Civilisation (1985). Today, over 11 million people visit Parc Jean-Drapeau each year. They are attracted by its first-class facilities, which include the Aquatic Complex, the Biosphère, the Casino de Montréal, the fortifications on Île Sainte-Hélène, La Ronde, some bicycle paths and green areas. They are also drawn by the 300 or so annual events and activities hosted by the park each year, including a Nascar race, the Fête des neiges, the Fête des enfants and many other festivals and sporting events. With the scheduled return of the Canadian Grand Prix to Montréal in 2010, the park is sure to increase its visitor volume

dramatically. As a result of this prestigious international race, the City fully expects to derive significant spin-off benefits through the extensive media exposure associated with this event.

Given the high volume of visitors, the wide array of activities and the magnitude of events being held at Parc Jean-Drapeau each year, the park's operations require proper facilities and infrastructure assets that are safe for all visitors and employees.

This is particularly important in light of the Parc Jean-Drapeau development project announced by the mayor at the end of November 2009 to provide the metropolis with new, permanent year-round recreational tourism infrastructure assets. This project is among the City's top five priorities in preparation for the 50th anniversary of Expo 67, the 375th anniversary of the founding of Montréal and the 150th anniversary of the Canadian Confederation, all of which will take place in 2017.

Given the deteriorating state of many existing facilities and infrastructure assets as well as the safety risks they pose, corrective measures are needed to eliminate key problem areas. Specifically, actions items must be established and implemented over time to address any reported issues within the budgetary framework. Ideally, these action items should be aligned with the directions set forth by municipal authorities regarding the development of Parc Jean-Drapeau.

In this report, we will assess the situation with respect to the park's development priorities as established by municipal authorities. We will also review the state of facilities and infrastructure assets, the risks inherent in their current condition and any measures that have been taken to date to remedy the situation.

As part of Montréal's network of large parks, Parc Jean-Drapeau is a designated collective zone under the jurisdiction of the agglomeration council by virtue of the schedule to the Montréal agglomeration order (1229-2005). To fulfil its mission and responsibilities in 2009, the Société had an operating budget of \$16.5 M, including a \$10.4 M contribution from the City, and a three-year capital program totalling roughly \$3.0 M. In 2010, its operating budget remained unchanged while its three-year capital program was reduced to \$0.3 M. Other funds from the corporate reserve will be granted to the Société in 2010 for any capital projects authorized by the City based on priority areas. The exact corporate reserve amount earmarked for the Société was not available at the time this report was drafted.

2. AUDIT SCOPE

Our main concern during this audit was to ensure that municipal authorities have an overview of the quality of all facilities and infrastructure assets located within the park. In this vein, we assessed potential problem areas that could compromise the safety of visitors and employees or interfere with on-site activities. We verified that the Société had identified any required corrective measures along with their cost estimates and implementation schedule. At the same time, we reviewed the priorities set forth by municipal authorities regarding the future development of Parc Jean-Drapeau.

Our audit focused on the following business units: the Société du parc Jean-Drapeau, the Service des infrastructures, transport et environnement (SITE), the Service de la mise en valeur du territoire et du patrimoine (SMVTP) and the Service du développement culturel, de la qualité du milieu de vie et de la diversité ethnoculturelle (SDCQMVDE). While most of our data collection was deliberately limited to 2008 and 2009, we occasionally had to include information from previous years to fulfil our mission.

3. FINDINGS, RECOMMENDATIONS AND ACTION PLANS

3.1. PRIORITIES SET FORTH BY MUNICIPAL AUTHORITIES REGARDING THE DEVELOPMENT OF PARC JEAN-DRAPEAU

3.1.A. Background and Findings

In 1996, the Société reached a memorandum of understanding (MOU) with the City of Montréal under which it agreed, among others, to develop Parc Jean-Drapeau in compliance with its master plan guidelines. Another MOU provision stipulated that the Société is responsible for any master plan updates and that all major changes must be submitted to the executive committee for subsequent approval by city council. This particular provision must be applied in accordance with the City's new legal framework that was adopted following the creation of the agglomeration council in 2006.

The original master plan was approved by city council in 1993. Eleven years later, on June 16th 2004, the executive committee asked the Société's board of directors to bring this master plan up to date. Upon completion, the updated master plan had to be submitted to the City's executive committee and, if applicable, be subjected to a public consultation exercise.

To accomplish its task, the Société's board of directors adopted in June 2005 a structured master plan updating approach that entailed the creation of three consultative forums, i.e. the technical, coordination and partner committees. These committees, which were comprised of representatives from the Société, city departments, the Ville-Marie borough and other organizations, held approximately 30 meetings in 2005 and 2006. The Société also called upon external professionals to review specific problem areas. In the end, the updated master plan identified seven priority avenues that were to serve as guidelines for any future development projects.

FINDING

Although it has been claimed that the role initially entrusted to the Société for updating the master plan was amended in June 2006, we were unable to find any evidence that would corroborate this statement.

If the City actually intended to amend the master plan updating role entrusted to the Société, we believe that the MOU should have been revised accordingly.

Under this amendment, the role of the Société would now include serving as a municipal consulting group responsible for providing written recommendations, including master plan updates. These recommendations are intended to help the City draft the final master plan. Once this master plan is approved by city officials, the Société would be in charge of implementing it.

In fact, the Société recommended to its board of directors several master plan updates that were approved on January 22nd 2007. On May 17th 2007, the assistant director general of the SDCQMVDE requested that the executive committee review the Société's recommendations and instruct the Office de consultation publique de Montréal to hold a public consultation meeting on the proposed priority areas for updating the Parc Jean-Drapeau master plan in light of the celebrations commemorating the 40th anniversary of Expo 67.

FINDING

There was no evidence that these recommendations were ever submitted to the executive committee, thereby suggesting that there was no public consultation on the matter and that city officials never provided development guidelines by means of an updated master plan.

Despite the fact that the development guidelines were not duly approved by city officials, the Société used the updated master plan that was approved by its board of directors to continue its thinking process on the future of the park in 2008. Taking into account the major events in store for 2017¹, the concept of revamping and developing Parc Jean-Drapeau emerged as part of the 2017 development plan. The Société believes that this plan is aligned with one of the key objectives that the City identified in its document entitled *Imagining – Building Montréal 2025* (during the 2002 Montréal summit), i.e. [Translation] “To make Montréal an international, cosmopolitan tourist destination that is open to the world” in keeping with three major priority areas outlined in this particular document². The Société promoted its 2017 development plan on several occasions throughout 2008 and 2009.

In this vein, the Horizon 2017 action plan was unveiled during an August 2008 meeting of the executive committee whose participants included the director of the SDCQMVDE and the director general of the City. On this occasion, the Société presented the proposed development project and its economic spin-offs. At the end of the presentation, the Société sought approval for its 2017 development plan guidelines.

In 2009, the director general of the Société attended meetings from the working committee that was created to commemorate the 375th anniversary of the founding of Montréal in 1764. Under the leadership of the assistant director general of the SDCQMVDE, this committee was tasked by the director general of the City to reflect upon and recommend guidelines to municipal authorities for the 2017 celebrations. Specifically, the committee on the 375th anniversary had to:

- review a variety of options to commemorate the event;
- propose guidelines;
- draft an action plan;
- form an ad hoc organizing committee.

¹ The 50th anniversary of Expo 67, the 375th anniversary of the founding of Montréal and the 150th anniversary of the Canadian Confederation.

² [Translation] Third priority area: Montréal, an exceptional living environment

- “To highlight the unique insular and natural environment of Montréal by expanding the network of large parks, preserving natural habitats and developing waterfronts through projects such as: [...]”.
- “To increase participation in amateur and professional sports”.

Fourth priority area : Montréal, a city with high-performance infrastructure assets

- “To promote the development of public transportation”.
- “To develop active transportation”.

Fifth priority area : Montréal, a city open to the world

- “To strengthen the position of Montréal as a cultural metropolis, a city of festivals and sporting events”.
- “To transform Montréal into an international tourist destination, especially downtown”.

From May to September 2009, the committee on the 375th anniversary held eight business meetings during which participants exchanged views on various projects for the 2017 festivities, including the Parc Jean-Drapeau development project. In August 2009, the director general of the Société presented the [Translation] “Parc Jean-Drapeau Strategy for the 375th Anniversary” to the executive committee and the mayor’s office in order to capture their interest. After reviewing the steps taken by the Société to update the master plan in 1993, he talked about the obsolescence of current park facilities and infrastructure assets. Finally, he presented the 2017 development plan with proposed investments of \$143 M from the public sector and \$333 M from other partners. In the end, he asked the executive committee to approve the development plan proposal and to authorize a special, seven-year budget of \$143 M (from 2010 to 2016) as well as a \$1 M budget for carrying various studies pertaining to the 2017 development plan.

Following the November 2009 municipal elections, the Société presented its [Translation] “Parc Jean-Drapeau Strategy for the 375th Anniversary” to the newly-created executive committee. This presentation was essentially a repeat of the one made to the previous committee in August 2009.

Ever since it was tasked by the executive committee to update the master plan, the Société has expended significant efforts towards developing a strategic vision. In fact, it made several presentations to the assistant director general of the SDCQMVDE, the director general of the City, the committee on the 375th anniversary, the executive committee and the mayor’s office to promote its priority development areas for the coming years as well as its 2017 development plan.

FINDING

However, to date, the Parc Jean-Drapeau development guidelines have never been officially approved by city authorities.

In November 2009, the mayor accepted the Parc Jean-Drapeau development project in principle as outlined in the Société’s [Translation] *Year 2009 in Review* report. He indicated that this project was among the top five priorities to be implemented in preparation for 2017 in order to provide the metropolis with new, permanent year-round recreational tourism infrastructure assets. Although 2010 budget papers refer to the revamping and renovation of Parc Jean-Drapeau as well as investments of roughly \$400 M from the public and private sectors, funds have yet to be allocated to this project in the 2010-2012 three-year capital program.

At the time this audit report was drafted, the committee on the 375th anniversary was also waiting for official guidelines from the executive committee to pursue its mission. We understand that other development projects could be prioritized for 2017.

3.1.B. Recommendations

Until municipal authorities officially approve the updated master plan, it will be difficult to translate it into an actual development plan. Consequently, any work in preparation for the 2017 festivities will have to be delayed, thereby impacting the deadlines.

In our opinion, it is imperative that clear guidelines be established and subsequently approved by city officials as early as possible for both the updated master plan and the 2017 development plan. Doing so will provide ample opportunity to promote these plans among the various stakeholders so that they can make enlightened decisions in the short term.

We recommend that the Société du parc Jean-Drapeau submit a summary report on the various steps taken to date and all the factors impacting on this urgent situation to the executive committee as soon as possible. Ultimately, city officials should undertake to approve the Société's:

- updated master plan, which would lead to the adoption of official guidelines for the development of Parc Jean-Drapeau in compliance with the MOU;
- 2017 development plan, including a 2010-2016 investment and financing plan.

We recommend that the Direction générale of the City of Montréal ask the appropriate municipal authorities to render a decision on the role of the Société du parc Jean-Drapeau regarding the updating process for the master plan and to take any applicable measures so that the MOU is amended in keeping with the City's expectations.

3.1.C. Action Plan for the Business Unit Involved

- **SOCIÉTÉ DU PARC JEAN-DRAPEAU**

[Translation] "The Société will submit an executive summary explaining how it will fulfil the role assigned to it by the executive committee in the summer of 2004 with respect to updating the master plan for the development of Parc Jean-Drapeau. Through this document, the Société will seek the City's authorization for:

- *the recommendations presented to city officials in January 2007, including the seven priority development areas that were identified during the master plan updating process,*

- the Horizon 2017 action plan that resulted from this exercise to provide the Société with a 10-year strategic vision for completing the development of Parc Jean-Drapeau in time for the 50th anniversary of Expo 67 and the 375th anniversary of the founding of Montréal in 2017,
- a \$1 M budget to perform all of the required validation studies pertaining to the preliminary investment program as part of the Horizon 2017 action plan.

The executive committee will use this information to decide on the priority areas for the development of Parc Jean-Drapeau and the next recommended steps.” **(Planned completion: April 30th 2010)**

- **DIRECTION GÉNÉRALE**

[Translation] “To continue discussions on finalizing a new MOU between the City and the Société du parc Jean-Drapeau.

To submit an executive summary to the appropriate authorities for the adoption of this new MOU (the current one had been approved by the city council on November 19th 1996 – CO9602733.)” **(Planned completion: December 2010)**

3.2. SETTING TO STANDARDS AND UPGRADING OF CURRENT FACILITIES AND INFRASTRUCTURE ASSETS AT PARC JEAN-DRAPEAU

3.2.A. Background and Findings

Given the large number of visitors to Parc Jean-Drapeau each year, its facilities and infrastructure assets require ongoing maintenance. Sometimes, they also have to be brought up to current standards or upgraded in a timely fashion to avoid any premature deterioration. All of these maintenance tasks allow them to remain in good running order and assure the safety of the premises.

Under a MOU signed in 1996, the Société and the City share park-related roles and responsibilities. Our audit focused on these key facilities and infrastructure assets:

- buildings;
- the water supply and sewage system;
- the road network and bridges;
- the power supply network.

It should not be forgotten that Parc Jean-Drapeau has hosted many historical events over the years and remains a busy venue for several activities and events. Its existing facilities and infrastructure assets are quite old. In fact, other than buildings of heritage interest such as the fortifications dating from the 19th century, most of the other facilities and infrastructure assets on site were built specifically for the Expo 67 international exhibition. Everyone we interviewed confirmed that these facilities and their related infrastructure assets, in particular the water supply and sewage system as well as the power supply network, were initially designed and installed for the temporary duration of the exhibition (i.e. approximately six months). Forty-three years later, their obsolescence is worrisome in terms of safety and reliability. In addition, many of them do not comply with current operating standards and regulations.

As a result of these considerations, the primary goals of our audit were to determine whether there was a diagnosis report on the current condition of all facilities and infrastructure assets, their potential risks and the estimated costs of upgrading or bringing them up to current standards along with a prioritized action plan.

FINDING

Subsequent to our various interviews, our data collection and our documentation review, we find that except for the somewhat detailed water supply and sewage system diagnosis, there is no complete overview of the facilities in their current condition that highlights the type of work to be performed, the priority levels and related cost estimates.

Buildings

Under the MOU signed with the City, the Société is responsible for maintaining and repairing all of the park buildings and equipment using funds allocated by the City.

Parc Jean-Drapeau is comprised of 68 buildings, including service buildings, heritage buildings, Expo 67 buildings and sports complexes. Their total value is estimated at \$159 M based on various updated studies, some of which are more than 10 years old.

FINDING

Representatives from the Société indicated that many park buildings are obsolete and have been neglected over the years due to a lack of funds.

Presently, certain buildings do not comply with CSST standards and threaten the occupational health and safety of their employees. In addition, some heritage buildings need major repairs, including the Hélène de Champlain restaurant that is currently closed for non-compliance with fire safety regulations. The Place des Nations also requires short-term work to secure its highly-deteriorated structure.

Here is a generally accepted principle used by the real estate industry to calculate the annual expenditures and investments required to maintain tangible assets in good condition:

- annual expenditures equivalent to 2% of the replacement costs for the ongoing maintenance of buildings (operating budget);
- annual investments equivalent to 2% of the replacement costs for the preservation of buildings (three-year capital program).

When applying this principle using the park's estimated building value of \$159 M, the Société should have each year \$3.2 M for ongoing maintenance as part of its operating budget and \$3.2 M for the preservation of buildings as part of its three-year capital plan, for a total of \$6.4 M.

FINDING

Considering that the Société's 2010 budget includes forecasted annual maintenance expenditures of \$1.3 M for buildings and roughly \$0.3 M under its three-year capital plan for a grand total of \$1.6 M, the Société is clearly short of funds to properly maintain its building stock in good condition.

Under the circumstances, we must assume that the investment deficit will continue to increase over time. In turn, this deficit could become critical during those periods when regular maintenance may have to be postponed in order to perform a large number of emergency repairs.

FINDING

Although representatives from the Société are fully aware that the park's buildings are in less than pristine shape, they do not have a comprehensive, up-to-date qualitative survey that outlines the complete condition of the various building components (roof, doors, windows, ventilation and heating systems, etc.) as well as the type and extent of mandatory repairs to be prioritized.

To remedy this shortcoming, a joint decision was reached with the SMVTP that a professional firm would be retained to conduct a qualitative survey of all park buildings and facilities starting in March 2010. The results of this analysis will help the Société pinpoint and prioritize repairs, estimate their costs and prepare a schedule for their timely implementation.

Water Supply and Sewage System

The MOU stipulates that the City is responsible for any major maintenance and rebuilding work on the water supply and sewage system.

FINDING

Any minor maintenance work on these infrastructure assets is carried out by the Ville-Marie borough, although this is not specifically stipulated in the MOU. In addition, the MOU does not draw a clear distinction between major and minor work on the water supply and sewage system.

With regards to the current condition of these infrastructure assets, the available documentation indicates that the Parc Jean-Drapeau water supply system experienced 32 breaks from 2003 to 2008, many of which were significant. They affected mostly the older lines on Île Notre-Dame that were built in 1966.

FINDING

According to the senior engineer at the Direction de la gestion stratégique des réseaux d'eau of the SITE, the frequency of these breaks exceeds the acceptable standard for this type of infrastructure.

For instance, during the years 2003 to 2008, 11 of the water main breaks at Parc Jean-Drapeau occurred on a 500-meter section of pipe located within the Floralties gardens on île Notre-Dame. Based on the acceptable standard, there should have been no more than 7.5 breaks during that timeframe. In this context, the City lab was called upon to assess the condition of water pipes. Its analysis report shows that the thinner steel pipes in this area are extremely corroded, heavily damaged and even perforated in several places. Any major breaks could significantly reduce the water pressure inside the pipes which, in turn, might result in an inadequate water supply to the Casino's sprinkler system in the event of a fire.

The water supply system built in 1966 runs below the Gilles-Villeneuve Circuit in many areas. Any break in this particular portion of the system could seriously jeopardize the Formula One Grand Prix event that will be returning to Montréal this summer.

Our audit of the Direction de la gestion stratégique des réseaux d'eau of the SITE indicates that analyses on the current condition of the Parc Jean-Drapeau water supply and sewage system are underway. The diagnosis of the water supply and sewage system on Île Notre-Dame is nearly completed while the one for Île Sainte-Hélène has not been undertaken.

The Île Notre-Dame diagnosis shows that approximately 80% of the water supply network from 1966 has been either rebuilt or rehabilitated between 1988 and 1992. Work on the remaining 20%, which includes among others the portion located within the Floralties gardens and the one that runs below the Gilles-Villeneuve Circuit, is currently being planned by the SITE. Assuming the budget is adopted for this work, it should be performed in 2010.

At the time of our audit, the required funding had not been officially approved for this project. In addition, according to the information we obtained, an analysis report on the sewage system had been requested, although this area does not currently appear to be a cause for concerns.

Road Network and Bridges

Under the MOU, the City is in charge of any major repair work and reconstruction on the road network of Parc Jean-Drapeau while the Société is responsible for the regular maintenance of parking lots and traffic lanes.

FINDING

We observed that the MOU does not establish a clear distinction between major repairs and regular maintenance for this type of infrastructure.

In the case of the bridges and other structures at Parc Jean-Drapeau, the MOU stipulates that the City is responsible for the reconstruction and major maintenance of the Concorde bridge and the Pont des îles. Our audit indicated that the SITE oversees the inspection of all Parc Jean-Drapeau bridges and structures.

FINDING

The MOU does not precisely delineate the breakdown of the shared maintenance responsibilities for all the other bridges and structures.

In our opinion, the MOU should clearly specify the sharing of roles and responsibilities pertaining to this type of infrastructure.

FINDING

Neither the SITE nor the Ville-Marie borough whose territory encompasses the Parc Jean-Drapeau premises has a clear picture of the current condition of the park.

Actually, it appears that the responsibilities assigned to the Ville-Marie borough are very imprecise. This observation is proven by the lack of any evidence suggesting that the borough has budget allowances for the Parc Jean-Drapeau infrastructure assets. Under these circumstances, it becomes difficult to assess priority areas and to make enlightened decisions.

The Direction des transports of the SITE has a diagnosis report on the general condition of the bridges and other park structures (38 in total). Evidence shows that all of these structures were inspected from 2006 to 2009 and that none of them are in critical condition or faulty to the point of impacting their integral stability or public safety. According to the head of this division, this diagnosis report serves as a valuable tool in prioritizing areas of intervention and taking any corrective measure in a timely fashion.

Representatives from the Société have expressed safety concerns about the Concorde bridge connecting the island of Montréal to Île Notre-Dame. Following two major accidents in 2009, the Société submitted a proposal to the Direction des transports of the SITE for the reconfiguration of the bridge's traffic lanes. According to the head of the division from the Direction des transports of the SITE, an in-depth bridge structure inspection carried out in 2007 indicated that the bridge is in good shape. Nonetheless, the reconfiguration of the traffic lanes on the bridge requires a preliminary load carrying capacity assessment at a cost of approximately \$400,000.

To this day, the SITE has never been able to perform this assessment due to a lack of funds.

Power Supply Network

Under the MOU, the City is responsible for maintaining the park's entire power supply network (high and low voltage) right up to the connection point for each building.

People we interviewed indicated that a portion of the power supply network on Île Sainte-Hélène was upgraded a few years ago. The Commission des services électriques (CSE) was tasked with upgrading the manholes, duct banks and other related structures. Since then, the CSE has been responsible for maintaining and repairing these particular structures while the SMVTP maintains the power supply network on the entire Parc Jean-Drapeau territory.

FINDING

The power supply network on Île Notre-Dame dates back to Expo 67. In many respects, its apparent obsolescence has become very worrisome.

Representatives from the SMVTP suggested that the advancing age of most of the power network components (e.g., distribution cables, transformers and circuit breakers) is the prime cause of the site's frequent power failures. Repair lead times tend to be quite long (ranging from three to four weeks) due to a number of reasons. These include some special component features (e.g., older distribution cables have a lead sheath rather than a synthetic one) and the shortage of genuine replacement parts. Such delays can jeopardize future activities and events on site. Our interview subjects believe that the various repairs performed throughout the years have actually weakened the power supply network, thereby compromising its reliability during major events.

FINDING

In general, key stakeholders from the SMVTP and the Société are aware that the power supply network is showing increased signs of obsolescence. However, they really do not have access to a summary report that inventories the various network components, the location, frequency, extent and impact of power failures as well as the repairs performed. In other words, they do not have a clear picture of the overall situation.

One SMVTP representative pointed out that the most recent cost estimate (roughly \$10 M) for upgrading the network and bringing it up to current standards is more than 10 years old. It has to

be updated with a prioritized list of areas in need of intervention. Given the lack of any diagnosis on the existing situation, determining priorities might be difficult to ascertain.

In a nutshell, we are aware of numerous attempts made by the Société over the past few years to raise awareness among municipal authorities about the importance of allocating budget allowances to upgrade current facilities and bring them up to standards. Despite these efforts, the financial contribution from the City to the Société has decreased from \$11.5 M in 2005 to \$10.4 M in 2010. In addition, following a municipal decision to adopt a transitional budget in 2010 in order to implement a new strategic plan for capital expenditures during that period, things went from bad to worse. In fact, under this transitional budget, the funds allocated to the Société under its three-year capital plan were reduced from \$3 M to \$0.3 M. At the time of our audit, the exact funding to be allocated under the three-year capital plan for 2011 and 2012 had not been determined.

Since 2008, the Société has also made several presentations on its proposed park development project for the 375th anniversary of the City of Montréal in 2017. These presentations have been focusing, among others, on the deteriorating condition of certain facilities and infrastructure assets that have become unsafe for employees and visitors. One of the conclusions from these presentations is that the current state of facilities and infrastructure assets can compromise not only the development of the park, but future events that receive extensive media coverage such as the Formula One Grand Prix, which is returning to Montréal this year.

Consequently, the City's executive committee adopted a resolution on August 12th 2009 with a view towards upgrading the park's infrastructure and bringing it up to standards. Specifically, this resolution aimed at:

- supporting the project for upgrading and bringing a portion of the water supply and sewage system and the power supply network up to current standards as well as repairing a section of the road network in Parc Jean-Drapeau for a total cost estimated at \$20 M;
- authorizing the filing of a grant application with the Gouvernement du Québec under the Building Canada Fund in Québec program;
- confirming the commitment of the City to pay for its share of eligible expenditures should the grant be obtained.

The SITE was in charge of preparing and filing this grant application with the Gouvernement du Québec. This task was completed in the summer of 2009.

FINDING

There is no evidence to date that the Gouvernement du Québec rejected the financial assistance grant application submitted by the SITE. However, nobody is aware of this grant status since there has been no follow-up on the matter.

3.2.B. Recommendations

In conclusion, our review of the MOU between the City and the Société indicates that the sharing of roles and responsibilities among the parties involved is at best ambiguous and that certain types of maintenance activities are not clearly defined. In our opinion, the MOU should be revised.

We also believe that the various stakeholders should expend the efforts needed to draw a complete inventory of all facilities and infrastructure assets under their control in order to specify their current condition. In our opinion, this inventory should serve as the corner-stone for any future project aimed at upgrading the existing facilities and infrastructure assets or bringing them up to standards. This diagnosis would assist decision makers in prioritizing areas of intervention by:

- assessing the current condition of facilities and infrastructure assets in terms of the risks they pose to visitors, employees and future events at the park;
- determining the type of work required and any related costs.

Ultimately, these priority areas of intervention should be reflected in an investment and financing plan. That being said, some facilities and infrastructure assets might require immediate attention so that they can be upgraded or brought up to standards as soon as possible. Doing so will ensure their proper operating conditions and the safety of the large number of participants in the major activities and events that are being held on site. Municipal authorities have already indicated that the Parc Jean-Drapeau development project is considered to be among the City's top five priorities in preparation for the 2017 festivities. Consequently, in order to achieve an optimal level of consistency, we recommend that certain priority areas of intervention be aligned with the proposed development plan for this major community venue.

A significant investment will be required to ensure that existing facilities and infrastructure assets meet or exceed current standards and to carry out the proposed development plan for Parc Jean-Drapeau. To this end, we believe that every effort should be focused on actively searching for potential funding sources and following up on pending grant applications.

To optimize the coordination of work among the various parties involved, we recommend that the Direction générale of the City take any necessary measures to revise certain elements in the MOU with the Société du parc Jean-Drapeau to clearly define:

- the different types of maintenance for the park's infrastructure;
- the sharing of roles and responsibilities pertaining to infrastructure maintenance.

In order to make enlightened decisions for upgrading existing facilities and infrastructure assets or bringing them up to standards and ensure the timely coordination of any items under the development plan being drafted for Parc Jean-Drapeau, we recommend that the Direction générale of the City:

- obtain from each stakeholder (i.e. the SITE, SMVTP, Ville-Marie borough and CSE) an accurate diagnosis report on the current condition of the infrastructure assets (i.e. the water supply and sewage system, the road network and bridges as well as the power supply network) and their potential risks for visitors and future events;
- ask each stakeholder to determine the type of work required with cost estimates based on the infrastructure diagnosis and the anticipated development plan for Parc Jean-Drapeau;
- prioritize the areas of intervention and ensure that they are reflected in a proper investment and financing plan;
- actively search for funding sources and follow up on all pending grant applications;
- plan adequate reporting mechanisms to ensure the periodic status monitoring of items under the investment and financing plan.

To help make enlightened decisions for upgrading existing facilities and infrastructure assets or bringing them up to standards while ensuring the timely coordination of any items under the development plan to be adopted for Parc Jean-Drapeau, we recommend that the Société du parc Jean-Drapeau:

- obtain a qualitative report (or diagnosis) on the various facilities under its jurisdiction and their potential risks;
- analyze the diagnosis results to prioritize any areas of intervention and prepare their implementation schedule;
- forward this implementation schedule to the Direction générale of the City;
- make all the presentations required to secure funding for the execution of the various priority items in its implementation schedule.

3.2.C. Action Plan for the Business Unit Involved

1) DIRECTION GÉNÉRALE

[Translation] “Among others, the MOU will be amended in keeping with the general auditor’s recommendations to specify:

- the type of maintenance required for the infrastructure assets;
- the sharing of roles and responsibilities for their maintenance. **(Planned completion: December 2010)**

2) Phase 1 – Work to be performed in 2010

A budget of \$6 M was recommended to the executive committee under the three-year capital program to ensure public safety, a seamless Formula 1 event and the maintenance of specific assets. (See the note below from the director general and treasurer.) **(Completed)**

[Translation] “The recommendation to the executive committee includes a net amount of \$6,062 k under the Parc Jean-Drapeau’s three-year capital program to carry out the minimum work required for 2010 to ensure the safety of the premises during various park events, especially the Formula 1 (F1) race, and the maintenance of specific assets. This budget encompasses the following elements:

— Structural work at Place des Nations (F1)	\$1,400 k
— Signage plan (F1 and general)	\$400 k
— Bypass route (F1 and general)	\$500 k
— Security of information assets (F1 and general)	<u>\$300 k</u>
F1 Total	<u>\$2,600 k</u>

— Remedial work to the geodesic dome (awarded contract)	\$330 k
— Playground	\$755 k
— Aquatic complex – Stands	\$200 k
— Hélène de Champlain – Preservation work	<u>2 177 k\$</u>
Total of all the other required work	<u>\$3,462 k</u>
Total recommended in 2010 under the three-year capital program	<u>\$6,062 k</u>

We are aware that the Formula 1 race is a top priority for the City and that the deadline for the completion of all its required work is very tight (June 13th 2010). Consequently, we have already allocated the recommended budget of \$2,600 k.

Moreover, an additional \$600 k from the waterworks three-year capital program will be transferred to the Société to finance any required cladding of the water supply system that runs below the Formula 1 circuit.

The remaining \$3,462 k budget should be approved in principle by the executive committee during its upcoming March 17th meeting.

Another \$2,000 k from the 2010 waterworks budget will be allocated to the rehabilitation and replacement of water mains. The initial value of their replacement alone was established at \$5 M.”

Phase 2 – Work to be performed from 2011 to 2013

To sustain the ongoing coordination between the City and the Société for the successful completion of the objectives and action items set forth in the development plan to be approved for Parc Jean-Drapeau.

To coordinate all of the activities (i.e. diagnosis, work execution, investment, financing and status reporting) from the various municipal departments involved in the implementation of the development plan to be approved.” **(Planned completion: December 2010)**

3) SOCIÉTÉ DU PARC JEAN-DRAPEAU

[Translation] “Based on its financial means, the Société du parc Jean-Drapeau identified facilities under its jurisdiction that are in need of work in 2010 to ensure the safety of the premises. This work will be executed during the year in accordance with the executive committee’s decision on this matter. **(Completed)**”

As early as the spring of 2010, the Société will initiate diagnosis studies to assess the seven buildings deemed to be in the most critical condition, i.e. the Hélène de Champlain restaurant, the Place des Nations, the Canada pavilion, the Olympic Basin's administrative building and VIP stands, the athletes' quarters and two service buildings. (Planned completion: May 31st 2010)

The Société will inventory all park facility areas under its jurisdiction pursuant to the MOU currently in effect and assess their level of risk. This data will support the discussion on the new role envisioned for the Société and the development of related study, maintenance and investment budgets. (Planned completion: June 30th 2010)

The prioritized areas of intervention and their implementation schedule as recommended by the Société will be joined with those of the other municipal administrative units concerned to determine the total investments required. A coordination process with the various stakeholders, including the director general and treasurer, is being planned for work to be performed from 2011 to 2013." (Planned completion: September 2010)